



8.0 Social Responsibility

In this section of the Report, we present information regarding relationships between UPS and its employees, its suppliers, and its communities. We approach all our social relationships with respect and willingness to engage. This year we have included statements from a range of representative outside stakeholders, some working at the grass-roots level and others seeking global impact. We have also included corresponding statements from some of our own employees, to help illuminate how we engage with our stakeholders not just as an organization, but as people. We encourage you to visit the UPS sustainability website at sustainability.ups.com to learn more about all our programs and progress in the area of social responsibility.

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- 8.1 Develop People
 - 8.2 Promote Safety and Wellness
 - 8.3 Embrace Diversity and Human Rights
 - 8.4 Support Communities

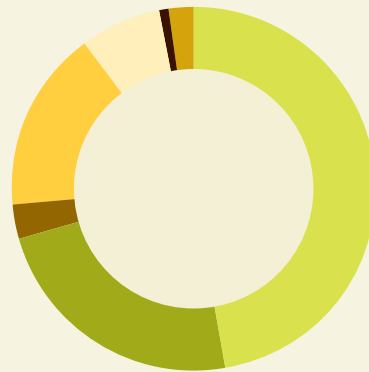
8.1 Develop People

While UPS has long been in the forefront of using technology and equipment to facilitate commerce, there is simply no substitute for people when it comes to picking up, sorting, loading and delivering millions of packages on a daily basis. That's why UPS is one of the world's largest employers. We also have a large part-time workforce, a total of 189,400 people at the end of 2008. Much of our part-time work comes in bursts of activity at the beginning and end of the business day around the world and during the holiday season.

Our century of reliance on people has produced a strong commitment to develop them as individuals. This commitment includes multiple dimensions: fair compensation, high-quality training, opportunities for education, open doors for promotion, and encouragement to become owners of UPS shares. In addition, we offer extensive training and development opportunities, including tuition assistance, that are tailored to both full-time and part-time people.

Global Full-Time Workforce

As of December 31, 2008

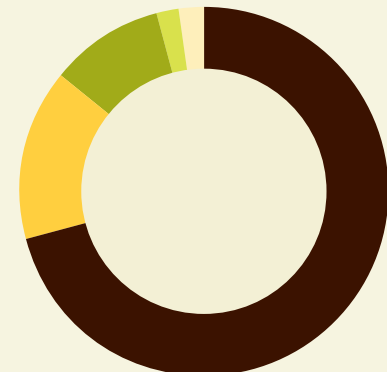


Total Full-Time Employees: 236,500

	111,700	Drivers
	53,400	Administrative and Clerical
	38,500	Management
	16,300	Other
	7,000	Mechanics
	6,700	Specialists
	2,900	Pilots

Global Part-Time Workforce

As of December 31, 2008



Total Part-Time Employees: 189,400

	133,900	Package Handlers
	27,500	Management
	18,800	Administrative and Clerical
	4,750	Others
	4,450	Drivers

8.1 Develop People continued

Global Workforce

As of December 31, 2008

United States	353,500
International	72,400
Employees Worldwide	425,900

COMPENSATE FAIRLY

We believe that a competitive compensation and benefits package is essential to attract and retain good workers. In 2008, we added an automatic enrollment feature to the UPS Savings Plan, which is our 401(k) for U.S. employees who are not covered by a collective bargaining agreement. Short-term results have been positive, with 92 percent of eligible employees automatically enrolled. In other words, only eight percent of employees opted out. More information on our benefits programs is provided in our discussion of Safety and Wellness. Another dimension of compensation at UPS involves unions, which represent approximately 62 percent of our employees. We negotiate with the unions in good faith, and we fulfill our agreements with them.

TRAIN EFFECTIVELY

We invested more than US\$423 million in employee training in 2008, above our five-year average of US\$316 million. As in the past, a substantial amount of this investment was in training for safety on the job. You can read about our safety training in the discussion of Safety and Wellness in section 7.2.

PROVIDE OPPORTUNITIES FOR EDUCATION

Tuition assistance is available to full-time and a substantial number of part-time employees. In particular, college students are an important source of part-time workers for UPS. They constituted 59 percent of our part-time employees in 2008, compared to 58 percent in 2007. To help them balance work and school, our Earn and Learn program provides tuition assistance while they work part-time at UPS. In 2008, the program's tenth year, we provided US\$28 million in tuition support to approximately 25,000 students working in 90 locations. Since the program began in 1999, we have invested US\$136 million in tuition assistance to approximately 107,000 college students.

40 YEARS OF COMMUNITY INTERNSHIPS

UPS managers can take advantage of yet another form of education, one that is often lacking in a school setting: learning community service from the inside out. Our Community Internship Program (CIP) takes UPS managers out of their offices and puts them to work in nonprofit community organizations

for four weeks. They learn how these organizations serve their communities, why community members rely on them, and what corporate responsibility means on a day-to-day, person-to-person basis. They also develop their abilities to learn quickly, empathize with diverse peoples, communicate effectively, and solve problems without the resources they are used to in a corporate setting. We have conducted this program for more than 40 years. Since 1968, more than 1,400 management employees have participated in this program, living in inner cities and small towns in the United States. For more information on this program and its effects on those who participate, please see the next page.

PROMOTE FROM WITHIN

UPS has promoted from within for generations. This includes part-time workers moving into full-time positions; non-management employees moving into management positions; and supervisors and managers moving into positions of greater responsibility. Well over 50 percent of our current full-time drivers were once part-time employees, and more than 75 percent of our full-time managers (including most vice presidents) were once non-management employees. In 2008, 4,551 part-time employees advanced to full-time work with UPS, and 8,237 employees moved into management for the first time. Additionally, at UPS the trend is to develop local employees to manage and grow our international operations. In 2008,

8.1 Develop People continued

Stakeholder: Community Internship Program

Rafael Jaquez

Program Coordinator, Children's Aid Society, New York City



I am a product of Henry Street Settlement. It was my home away from home for eight years, when I was one of six kids in an immigrant family from the Dominican Republic. During that time, UPS began its Community Internship Program (CIP). I was very aware of the people from UPS coming to the lower east side in those years. Now I take time each summer to help direct the CIP for Henry Street. In 2008, we celebrated the program's 40th anniversary.

We design our program to show UPS interns how a community works its way through major issues, such as crime, teen pregnancy and homelessness. We explode the myths and stereotypes they have, and get them working closely with members of the community every day for weeks. At first they bring their UPS professionalism to whatever they do, working hard with a good attitude. After a few weeks, they start to bring their humanity as well. That's when the real change happens.

The true marriage of public and private sectors occurs when each side becomes human to the other. Then people are not tackling a challenge together despite their differences, they are tackling the challenge and their differences at the same time. They are achieving something together, and letting it change them in the process. We don't usually think that corporations focused on profit want to be part of this marriage, but some of them do. I see it every summer at Henry Street, and every year I still say to myself, this is amazing.

UPS: Community Internship Program

Mike Harrell

Operations Manager, UPS Freight, Europe



I became interested in the Community Internship Program (CIP) after people at UPS described it as an opportunity of a lifetime. They were right. Henry Street Settlement was a good match for me because it has a long heritage of helping immigrant populations, and I've spent much of my career abroad as an outsider learning to fit in. The director of the program keeps it relevant—he added the Lower East Side Ecology Center to our program this year because the environment is a hot topic for UPS.

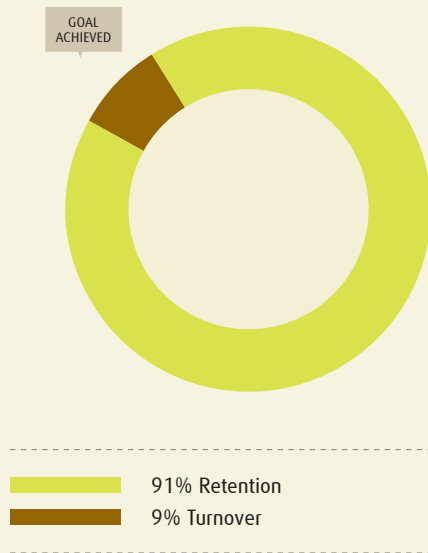
During my four weeks at Henry Street, I learned a tremendous amount about how community services work in the United States, from day care centers to the criminal justice system. I also discovered that people at nonprofits share many of the same challenges as corporate managers: hitting targets, doing things more efficiently, showing that we deserve our budgets. The people running the services were happy to find out that the corporate world has to work at these things, too.

I took some new perspectives with me when I went back to work. For one thing, when something's not quite right with an employee, I don't just assume that it's not my business. Now I'm open to understanding what's behind it, and how I might help. I'm also determined to create a CIP in Europe, where I am working now. I think many people would like to have this kind of experience, but they don't know where to begin. The CIP program opened the door for me, and I want to open it for others.

8.1 Develop People continued

KPI Employee Turnover Global Workforce

We created a KPI for employee retention in 2002. In 2008, we changed the KPI to focus on turnover rather than retention, because turnover is a more internationally accepted reporting category. As shown in the graph below, full-time employee turnover was 9 percent in 2008, significantly exceeding our goal of 13 percent. The rate for 2008 was also below each of the past two years. Within our part-time workforce, turnover declined to 45.7 percent from 55.4 percent in 2007. While economic uncertainties in 2008 undoubtedly played a role in lower turnover, we actively encourage our employees to stay with UPS regardless of economic conditions. The average length of employment for part-time employees increased in 2008 to six years. The average management employee at UPS has worked for the company more than 15 years.



fewer than one percent of our global managers were working outside their countries.

ENCOURAGE OWNERSHIP

Alignment of employee and company goals is a hallmark of UPS. For its first 90 years, UPS was privately owned primarily by its employees. We began sharing profits with employees in the 1950s. Today we offer multiple stock ownership programs for employees, including, in some countries, a discounted purchase plan. In 2008, approximately 45 percent of full-time employees were shareholders. Shares in UPS began trading publicly on the New York Stock Exchange in 1999.

EMPLOYEE SATISFACTION

At UPS, we devote two of our Key Performance Indicators (KPIs) to broad measurements of employee satisfaction: the first is turnover, and the second is employee response to our “employer of choice” survey. We value these metrics highly because our business is so dependent on people and the training we invest in them. Our goal for full-time employee turnover, excluding our freight employees, was 13 percent in 2008, and actual turnover was nine percent. (See chart at left.) We believe that this low level results from an overall philosophy of long-term employment, which includes all the factors described in the paragraphs above. We seek to provide working conditions and compensation and benefits that give employees incentives to remain with UPS as long as

possible. Unlike many other companies, we do not resort to job cuts as a primary cost-reduction measure when business cycles turn negative; instead we look for ways to keep our people employed and find new growth opportunities for them.

The data for our employer of choice KPI comes from our formal survey of our workforce, known as the Employee Opinion Survey. The survey includes a set of questions focused on UPS as an employer of choice. We did not conduct the Employee Opinion Survey in 2008. We postponed the survey so we could update the questions to ensure they are relevant to changes in our business, reflect the opinions of our employees, and measure the engagement of our employees. Our 2007 Employee Opinion Survey showed that 75 percent of UPS employees consider the company an employer of choice. Ninety-five percent of our available employees participated in the 2007 survey.

8.2 Promote Safety and Wellness

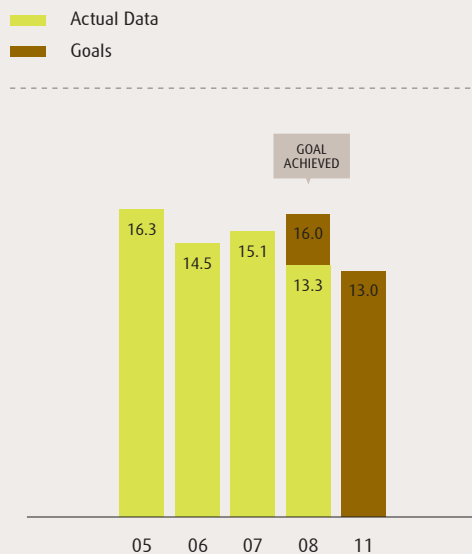
OUR FOCUS ON SAFETY

Approximately 82 percent of UPS workers are involved in freight and package handling, driving motor vehicles, or both. To perform these jobs safely, people need specific skills and abilities that maximize their performance while minimizing their exposure to injury. In 2008, we invested US\$52 million in teaching 56 formal safety training courses in more than 1,800 facilities. Our workers spent approximately 1.3 million hours in safety training in 2008. One highlight of this investment is our new “UPS Integrad®” training program, which is profiled in section 6.8.

In addition to training our people, we continually increase the safety of the facilities they work in and the equipment they use. In 2008, we invested millions in upgrading and improving facilities and equipment from a safety perspective. Many of the ideas for these improvements and upgrades come from our Comprehensive Health and Safety Process (CHSP) members. There are more than 3,700 CHSP committees in UPS facilities worldwide, and they are employee driven and management supported. Non-management employees serving on CHSP committees constitute approximately 10 percent of the total UPS workforce. In addition to the CHSP process, approximately 350 employees at UPS work full time to protect the health and safety of UPS employees.

KPI Auto Accident Frequency per 100,000 Driver Hours

The KPI for package car driver safety is shown in the graph below. This KPI is unchanged compared to prior years. Note that we calculate auto accident frequency differently than most transportation companies, in two important ways. First, we report all accidents, not just those defined as “reportable” by government agencies. Second, we report the rate per 100,000 driver hours rather than one million driver hours. This is because our drivers must navigate traffic-intensive routes in congested urban areas, while long-haul truckers spend the majority of their time on open roads and highways. Data for 2005 and 2006 is U.S. only.



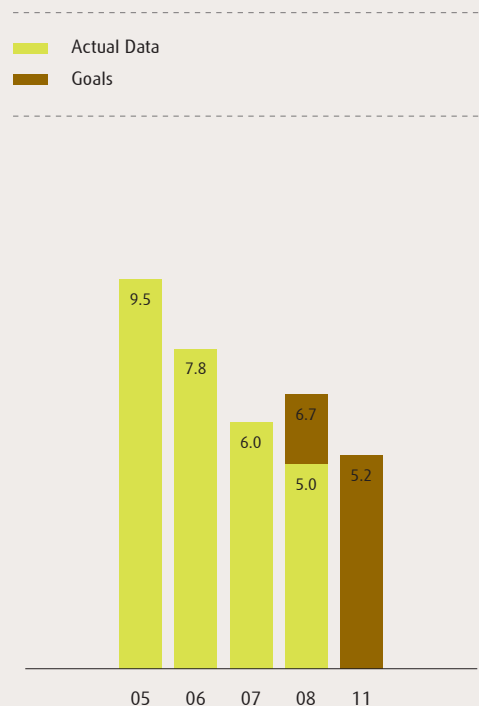
DRIVING SAFELY

Because we operate approximately 100,000 delivery vehicles on a daily basis all over the world, safe driving is a major focus for UPS. We measure both our successes and challenges in this regard. On the positive side, for example, 715 more drivers entered the UPS “Circle of Honor” in 2008 in recognition of driving 25 years without an avoidable accident. The Circle of Honor now includes 4,648 drivers who have achieved this remarkable record. Unfortunately, we also deeply regret the fatal accidents that claimed the lives of six UPS employees in 2008. This total represents 0.18 fatalities per 100 million miles driven in our global operations. Whenever an accident occurs, we invest significant management attention in investigating the causes, retraining the driver(s), and, as appropriate, changing our procedures and safety training.

8.2 Promote Safety and Wellness continued

KPI Days Away, Restricted or Transferred Duty (DART)

Global Operations, Days away from work, restricted activity, or transferred to another job due to an on-the-job injury. This number represents the number of occurrences per 200,000 hours worked. Data for 2005 and 2006 is U.S. only.



AVOIDING INJURY

One of our new KPIs for 2008 is shown at left. It measures days away from the job, or with restricted or transferred duty, as a result of injury. This metric replaces a previous KPI measuring lost-time injuries per 200,000 hours. We made the change for two reasons. First, we had achieved our 2007 goal with the previous KPI. For example, we have reduced injuries in the United States by 30 percent in the last five years even while our workforce has grown significantly. More importantly, we wanted our new KPI to reflect the actual impact of injuries on our business—time lost rather than simply the number of injuries.

WELLNESS

In 2008, UPS provided health benefits for more than 725,000 employees, retirees, and their dependents. Our benefits programs provide medical, dental, and vision care as well as education programs and tools regarding healthcare and proactive wellness programs. The goal of these programs and tools is getting our people to take wellness personally, by making informed choices in how they live and respond to wellness challenges. We also seek to reduce overall healthcare costs for UPS.

One of the characteristic qualities of UPS wellness programs is an emphasis on matching employees with individuals who can help them. We learned the power of this approach with our “health coaches” program, which gives UPS employees access to registered nurses

who provide confidential assistance in understanding healthcare issues and navigating the healthcare system. UPS health coaches helped more than 11,500 employees and family members in 2008. In 2007, we launched a smoking cessation program that includes a “quit coach” for every smoker who wants to stop. More than 2,200 people enrolled in the program in 2008; with the help of their coaches, they achieved a 42 percent responder quit rate—far above average.

We took the coaching approach to the next level in 2008 with our “Wellness Champions” program. More than 3,600 UPS employees at all levels of the company are Wellness Champions in their facilities or locations. We provide them with a wide range of tools and resources for informing their co-workers about health risks and encouraging them to adopt new behaviors to prevent or offset them. Each month in 2008 was dedicated to a different health risk, and Wellness Champions put up posters, hung calendars, organized classes, led activities, and supported their co-workers in changing their health habits. Whether it was helping a runner achieve a new distance or taking a desk-bound worker to a yoga class after work, Wellness Champions were everywhere at UPS in 2008.

Especially during difficult times, our Employee Assistance Program (EAP) and Work/Life benefit play a significant role in our overall wellness program. More than 100,000 UPS employees

8.2 Promote Safety and Wellness continued



Drinking water is one way driver Tim Pruitt stays healthy while on the job. A Circle of Honor driver with 29 years of safe driving, Pruitt also is co-chair of a health and safety committee at a UPS operating facility.

and/or household members have benefited from the program since its inception in 2006. The program provides practical information, referrals to trained professionals and support for a wide-range of work/life issues from financial concerns and child-care to substance abuse and bereavement. In the transportation industry, companies that offer these benefits—including UPS—find that participants report a 46 percent increase in attendance and a 66 percent increase in productivity.

8.3 Embrace Diversity and Human Rights



Julie LaSalle, communications manager.

UPS is one of the largest and most multinational private employers in the world, and we succeed by hiring and developing talented, motivated individuals. As a logical consequence of these two factors, we are becoming an ever-more diverse company.

At UPS, diversity encompasses more than race and gender. It also extends to ethnicity, sexual orientation, and physical ability. Inclusiveness, respect, and cooperation are core values that help drive the way we do business with our customers and suppliers. These values strengthen our bonds with a multicultural community of friends and neighbors.

WOMEN'S LEADERSHIP DEVELOPMENT

Entry-level positions in our business, such as for drivers and package loaders, have traditionally attracted more men than women. Coupled with our focus on promoting from within, this has created a particular need for UPS to develop and retain women for supervisory and management positions. Our Women's Leadership Development program, which we expanded internationally in 2008, meets this need in three ways:

- Creating meaningful dialogues between women and men regarding workplace issues.
- Opening avenues for women to build their leadership skills through community service.
- Providing opportunities for women to expand and strengthen their career networks.

8.3 Embrace Diversity and Human Rights continued

Global Full-Time Workforce

As of December 31, 2008

Women as a percentage of officers and managers	29%
Minorities as a percentage of officers and managers	31%
—Asian	4%
—Black	17%
—Hispanic	9%
—Native American/Other	1%
Women on the Board of Directors	18%
Minorities on the Board of Directors	9%

More than 27,000 employees participated in the program through 2008.

SUPPLIER DIVERSITY

UPS launched its first formal supplier diversity initiative in 1992. Since then we have worked hard to identify, attract, and work with diverse suppliers. In 2008, we spent US\$700 million with minority and women-owned enterprises and small businesses, which represents 5.08 percent of our total eligible procurement spending during the year. These figures are both increases compared to 2007. One highlight was the expansion of our UPS Worldport® distribution center. In 2008, we spent US\$98 million with Minority and Women-owned Business Enterprises and small-business suppliers working on Worldport—approximately double our original target. During the year we also expanded our supplier diversity programs to include businesses owned by gay, lesbian, bisexual, and transgender individuals. For more information on how UPS works with diverse suppliers, please see the stakeholder statements in section 6.2.

In the United States, we actively participate in the following associations working for supplier diversity:

- National Association of Women Business Owners
- National Gay and Lesbian Chamber of Commerce
- National Minority Supplier Development Council
- National Urban League

- National Veteran-Owned Business Association
- Native American Business Alliance
- U.S. Hispanic Chamber of Commerce
- U.S. Pan Asian American Chamber of Commerce
- Women's Business Enterprise National Council

Internationally, we are actively exploring ways to increase our focus on diversity and inclusion in ways that are germane to our employees and the communities in which we operate.

COMMUNITY DIVERSITY

The UPS Foundation made diversity one its five strategic focus areas in 2008, and provided US\$8.9 million in associated financial support. The 247 recipients of diversity-related grants ranged from the Special Olympics and Paralyzed Veterans of America to the National Urban League.

HUMAN RIGHTS COMMITTEE AND STATEMENT

In 2008, UPS formed a committee on human rights to draft a statement on human rights for completion and adoption in 2009. We intend to formally adopt the statement in 2009, and include it in our Code of Business Conduct, and incorporate it into relevant business practices.

8.4 Support Communities

UPS supports communities with direct philanthropy, in-kind donations, by facilitating employee/retiree donations to United Way, and through volunteer work by UPS employees and their families. While much of this support takes place at the community level, UPS also seeks to achieve regional, national, and international impact by aggregating and focusing money and time where it can make the most difference. We also sharpened the focus of our corporate philanthropy, by setting new priorities for The UPS Foundation.

THE UPS FOUNDATION

The Foundation manages its grants globally and locally. In 2008, its grants totaled US\$46.9 million. Funding directed outside the United States rose to 13 percent of the total from 10 percent in 2007, and approximately 50 percent of Foundation grants went to local agencies supported by UPS employees who volunteered at the agencies' programs or facilities. Foundation giving in 2008 exceeded the level in 2007. In addition to funding more than 4,800 nonprofit agencies, the Foundation coordinated in-kind transportation movements with a cost value of US\$1.0 million. Total charitable contributions and a break-out of in-kind donations are shown at right. United Way donations are charted on page 94.

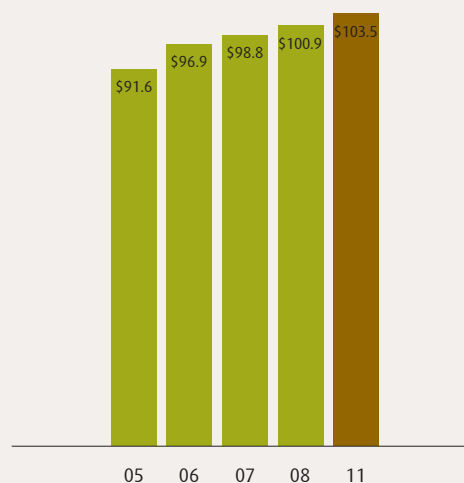
REALIGNED FOUNDATION FOCUS AREAS

During the year, the Foundation strategically realigned its giving with sustainability principles

KPI Total UPS Charitable Contributions

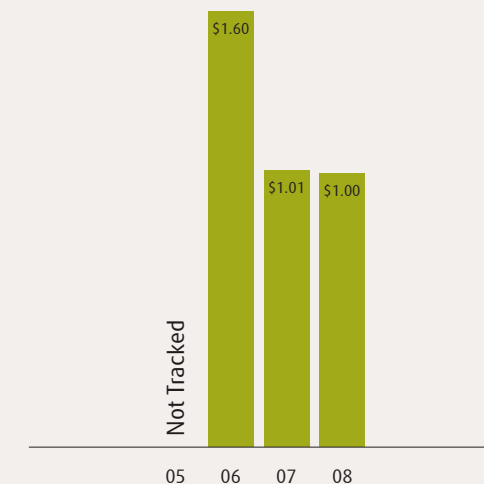
Total charitable contributions includes The UPS Foundation donations, employee United Way donations, and in-kind giving valued at cost (lower than retail value). Data for 2008 are absolute values, in accordance with generally accepted reporting standards. Data for prior years were calculated on a five-year rolling average. The 2011 goal for total charitable contributions is US\$103.5 million. The number for 2008 giving includes The UPS Foundation grants plus United Way contributions.

Charitable Contributions (in millions)
Goals



Total In-Kind Transportation Movements—Global

Charitable Contributions (fair value in millions)



8.4 Support Communities continued



The UPS Foundation Gives Green

Photo: A UPS Mexico employee volunteers with Naturalia AC, a civil organization dedicated to preserving ecosystems.

The UPS Foundation, founded in 1951, keeps evolving. In 2008, the Foundation announced new priorities for its financial funding, aligning them with UPS sustainability principles. One of the most significant changes arising from this realignment is the beginning of grant-making in support of environmental sustainability.

These investments reflect and complement many initiatives under way inside UPS to be more environmentally responsible. This is a way to export that value and experience to communities through funding and volunteerism.

“Protecting the environment is increasingly important to our company, to our customers, our employees and the communities in which we operate around the world, so it is a natural fit for the Foundation,” says Ken Sternad, president of The UPS Foundation. In October of 2008, the Foundation put its new priority into practice, announcing five grants totaling more than US\$1 million. They include:

- US\$300,000 to The Nature Conservancy to assist with tree planting efforts in the Atlantic Forest of Brazil, conservation initiatives for rural residents in the Yunnan Forest in China and reforestation efforts in East Africa’s Highland Forest.
- US\$300,000 to the Earth Day Network to support its national civic engagement project to educate youth about environmental issues and provide teachers with lesson plans and environmental impact online tools.
- US\$220,000 to Keep America Beautiful (KAB) to support its environmental education initiatives, including the creation of KAB affiliates on college campuses, support for a community volunteer initiative, a challenge grant for KAB affiliates and an environmental partnership grant for UPS Global Volunteer Month to encourage employee participation.
- US\$200,000 to the National Park Foundation to fund youth-engagement programs, including First Bloom, which provides children in urban locations (grades 4 through 6) with hands-on environmental learning.
- US\$50,000 to the Arbor Day Foundation to plant one tree for each of the first 50,000 UPS customers to begin using UPS electronic billing solutions, which eliminate the need for paper invoices.

8.4 Support Communities continued

of UPS, to further strengthen the ties between the Foundation, the company, and the communities they both serve. The five focus areas are as follows:

- **Community safety:** programs range from teen safe driving programs in local communities to helping strengthen disaster relief logistics globally.
- **Nonprofit effectiveness:** helping community-based organizations improve their volunteer management, leadership development, fund-raising capacity and operational efficiency.
- **Economic and global literacy:** helping globalization produce social and economic progress for all, through microlending and other innovative programs.
- **Environmental sustainability:** supporting organizations and activities focused on environmental education and conservation.
- **Diversity:** helping communities thrive by embracing and leveraging the unique experience, cultures and ideas of their people.

As part of this strategic realignment of philanthropy priorities, the Foundation gave its first large environmental grants in 2008. For more information on these ground-breaking grants, please see the previous page. Information on disaster relief activities is provided later in this section.

UPS began supporting micro-lending in 2007, awarding US\$1 million to three global organizations that help individual entrepreneurs start businesses, create jobs, build assets and improve the standard of living for their families. In 2008, the three organizations began reporting on how the grants were making a difference in their progress:

- Opportunity International is helping nearly 5,000 entrepreneurs in 15 developing countries.
- ACCION International works with partners in 25 countries to reach more than three million active clients with loans and financial services.
- FINCA International extends credit to 1,400 micro-entrepreneurs in 21 countries.

GLOBAL SIGNATURE PROGRAM

The UPS Global Signature Program is a six-year, US\$3.1 million partnership between The UPS Foundation and the World Association of Girl Guides and Girl Scouts (WAGGGS). This funding helped WAGGGS increase the recruitment and retention of volunteers, support volunteers through training and self-development, and introduce a system to monitor and appraise volunteer leadership in Brazil, China, Malaysia, Mexico, and South Africa. In 2007, The UPS Foundation launched a second phase of funding by authorizing US\$1.5 million over the next three years in an effort to increase the WAGGGS network's capacity to engage volunteers effectively and contribute to a culture of volunteerism around the world.

EMPLOYEES AND LOCAL ACTION

Just as our employees are vital to the success of UPS as a business, they are a powerful force for community action. During 2008, UPS employees and their family members donated more than one million volunteer hours to their communities through our Neighbor to Neighbor program. In October, our Global Volunteer Month, more than 30,000 UPS employees volunteered 139,000 hours of time in their communities. The focus for the month was the environment. In 2009, employees will be able to use a new intranet system to find volunteer opportunities and track their hours.

Another highlight of UPS volunteerism in 2008 was our annual Jim Casey Community Service Award, named after our founder and given to a UPS employee whose volunteer work has been especially notable. Every year the award process helps us identify and recognize numerous candidates who have made a clear, measurable difference in their communities. In 2008, the ultimate recipient of the award was “Andy” Jinchang He of Guangzhao, China—our first winner outside the United States. His story is included later in this section. For more information, please see page 93.

8.4 Support Communities continued

Stakeholder: World Assoc. of Girl Guides and Girl Scouts



Rebecca Munro

Communication and Advocacy Director, WAGGGS

WAGGGS (World Association of Girl Guides and Girls Scouts) has 10 million members active in 145 countries around the world. We embrace so many different circumstances and cultures because of our common commitment to making the world a better place and our belief that girls are at the centre of this positive change.

Our mission is to enable girls and young women to develop their fullest potential as responsible citizens of the world. We are helped in this endeavor by many dedicated partners, and we contribute to the global campaigns of our partners, such as helping the United Nations achieve the Millennial Development Goals.

With our partners, we create and implement programs that empower girls to develop their own values and knowledge and equip them with the skills to help their communities. This is not a short-term fix, but rather a deep and sustainable grass-roots method.

UPS has a similar perspective, which is one of the reasons our partnership has been successful. They offer skills and support along with their funding, because they understand that any partnership between a corporation and an organization like ours has to have reciprocity and recognition of mutual benefit. We both want to develop opportunities for girls and women and increase volunteerism around the world, and together we can have a greater impact. This alignment has created a connection between our organizations that allows us to develop ambitious programs, roll them out internationally, and operate them successfully.

UPS: World Assoc. of Girl Guides and Girl Scouts



Eduardo Martinez

Director, Programs and Corporate Relations, The UPS Foundation

The UPS Foundation selected WAGGGS for its Global Signature Program after an exhaustive review of potential partners. UPS continues to become a more diverse organization all the time, and we wanted to partner with an organization that truly represents our world. There are not many that can gather representatives from 145 countries in one room, which I experienced when I spoke at the WAGGGS 33rd World Congress in 2008 in South Africa. I also saw that their organization embraces the whole spectrum of races and religions.

UPS employees have shown an extraordinary dedication to volunteering in their communities, and we wanted a partner that would open up new volunteer opportunities for them and others around the world. WAGGGS has more than 10 million members doing volunteer work, and they excel at working with third parties to make a difference in their communities. When I visited Soweto in South Africa, the WAGGGS center was clearly an oasis of calm and strength in a community struggling with so many challenges.

One of the most powerful forces on our business is globalization, and we see evidence every day that women are taking on a greater role in the global economy. WAGGGS is preparing girls and women for leadership of all kinds: economic, social, and political. Working with them is teaching us a tremendous amount about a whole generation of future entrepreneurs, and that is helping us to see both globalization and women's leadership development from a fresh perspective. We are gratified by the success of the partnership so far, and look forward to what we can still achieve together.

8.4 Support Communities continued



UPS Volunteer of the Year Hails from Guangzhou, China

Photo: UPS Volunteer of the Year, Andy Jinchang He, Driver, Guangzhou City, China.

As UPS has expanded internationally, so has its spirit of volunteerism. In 2008, the winner of the company's top global community service award was Andy Jinchang He of Guangzhou, China—the first non-U.S. employee so honored.

Andy, a delivery driver, was recognized for his personal outreach efforts to rural communities in Guangdong Province where he is helping school children, mentally challenged children and the elderly. In addition to winning the Jim Casey Community Service Award from UPS, Andy has been honored by the city of Guangzhou and the Guangdong provincial government.

One of Andy's noteworthy accomplishments was founding a literacy project called "One Person, One Dictionary." He collected 1,200 dictionaries so that children in rural villages, many of whom live far from their schools, would not have to be without a dictionary when they were studying at home. He also volunteers his time to provide companionship and entertainment for mentally challenged children at the Xin Fu Children's Welfare House and for elderly inhabitants of Guangzhao. Somehow he also finds time to collect and deliver donations for the elders' care.

"Andy's selfless dedication to those in need truly embodies the spirit of community service that this award recognizes," says UPS Chairman and CEO Scott Davis. "He has served as a rallying point for others, including his fellow employees, and his efforts inspire us all."

8.4 Support Communities continued

Total Employee and Retiree United Way Donations

Excludes UPS Freight.



UNITED WAY CONTRIBUTIONS

Along with their time, UPS employees donate funds to our annual United Way campaign. More than 249,000 employees participated, donating nearly US\$53 million. The UPS Foundation contributed US\$8 million, for a total of US\$61 million. As a result, UPS was the leading corporate contributor to the United Way for the eighth straight year. Since its first campaign in 1982, UPS and its employees and retirees have given more than US\$930 million.

DISASTER RELIEF

Each year, UPS provides both funding and expertise to agencies providing humanitarian aid and disaster relief around the world. As part of our philanthropic focus on community safety, we have also provided logistics expertise to public agencies, most notably the U.S. Federal Emergency Management Agency (FEMA).

In 2008, UPS stepped up its contribution to global disaster relief by committing trained employees to on-the-ground logistics efforts—along with our fleets of planes and trucks that have long delivered relief supplies to stricken regions. The new step came after the World Economic Forum and U.N. disaster relief specialists began discussing how to better coordinate public and private response to major natural disasters. Logistical support—delivering the right people and materials to the right places, at the right time, in the right way—is central to this effort. So

UPS began working with other companies in the logistics and transport industry to form Logistics Emergency Teams (LETs) in cooperation with the U.N. We also began identifying and training logistics specialists among our employees, who leave their regular jobs for four to six weeks to direct local operations in the disaster area. In 2008, UPS employees served on LETs in Haiti and in Bangkok. For information on LETs, please see the next page.

For the second year, UPS provided US\$500,000 plus in-kind support to help expand the Aidmatrix Network, which connects donors with relief agencies by posting the most urgent needs in a disaster zone.

As in the past, UPS continued to provide financial aid, and support to disaster relief agencies with whom we have long-standing relationships. In 2008, UPS gave US\$2.3 million in support preparedness, relief and long-term resource efforts. This included:

- US\$1 million pledged to the American Red Cross for disaster relief following hurricanes in China and the United States.
- US\$200,000 pledged to CARE for humanitarian aid to Myanmar following tropical cyclone Nargis.
- US\$125,000 pledged to Africare, primarily to support implementation of an HIV/AIDS-related Volunteer Service Corps nutrition program in five countries.

8.4 Support Communities continued

Stakeholder: Logistics Emergency Teams

Shruti Mehrotra

Associate Director, World Economic Forum



Before the tsunami in 2004, logistics companies were contributing to disaster relief by working with individual agencies on a bilateral basis. After the tsunami, it became clear that the world needed a more coordinated approach to massive delivery of humanitarian aid. The World Economic Forum is a multi-stakeholder platform for bringing organizations together to address challenges like this, and we initiated a discussion in 2005 with private companies, non-governmental organizations, and the United Nations.

The result of that dialog has been far-reaching. Now the U.N. Office of Coordination of Humanitarian Assistance employs a “cluster process” that organizes all the parties, public and private, which are providing similar kinds of disaster relief, whether it is food aid, medical help, shelter or communications. Each cluster makes sure it is meeting the right needs at the right time using the organizations with the right capabilities.

The logistics cluster has been impressive in that the companies had a clear view of how to cooperate, and they put it into action. Their Logistics Emergency Teams (LETs) have already responded around the world, and other clusters are modeling their success. As one of the original participants, UPS has engaged in a multi-year process, identified and trained people, and committed resources on the ground in inhospitable environments—including places that do not represent big commercial markets for them. At the World Economic Forum, we consider this a progressive approach, the kind that supports our belief that companies are here to do good.

UPS: Logistics Emergency Teams

John Vera

Health and Safety Manager, Americas Region, UPS



My LETs assignment in Haiti was eye-opening and will stay with me forever. It was a learning experience, not only regarding the logistics but also the human factors as well. I learned to be empathetic with people less fortunate than I—more compassionate with others and appreciative for what I have and what I have achieved.

There are so many things we take for granted in the United States, which these people have never had the good fortune to experience. I showered with soap and water on a daily basis, but many Haitian people don't even have running water. I was able to get into clean clothing yet many children in Haiti have never had a new pair of shoes. Despite the conditions after the hurricanes in 2008, I witnessed children walking to school in clean pressed uniforms and a street vendor selling vegetables to his customer with a glimmer of hope in his eye that foresees better days ahead. Even in a state of despair, the Haitian people are proud and welcoming and have unlimited gratitude for the assistance offered to them.

During my LETs assignment I met people from all over the world. We work for competing companies and many different organizations, and come from different places, cultures and backgrounds. Yet, we have many things in common. We have a similar sense of humor. We feel it when we see a child who is sick or in need. And when we join together to help our brothers and sisters in need, we become united as one.